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# Rural Lines

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## ELECTRIFICATION SECTION Page 9

Secretary of Agriculture Ezra Taft Benson (left) swears in David A. Hamil as sixth REA administrator.





## *A Message from the New*

# **ADMINISTRATOR**

**I**T IS a great opportunity and privilege to work in a program that has done so much for farmers and ranchers throughout the years.

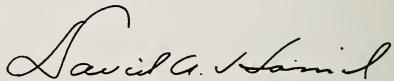
You will understand how my own perspective on these programs has expanded in recent weeks.

Some 17 years ago I helped organize a section of an REA cooperative in Colorado as a means of getting electricity for a ranch that belongs to my family. From a vantage point as a director in the Highline Electric Association I watched our cooperative and similar young systems struggle with problems of organization, financing, construction, operation, and power supply.

As a member of the Colorado legislature, I became acquainted with many of the rural electrification leaders in the State and worked in behalf of legislation supporting rural electrification and telephone activities. In recent years my association with the program has not been close, but I have been interested at all times in its progress.

In taking this office I am under no commitments or obligations. My duty is to do the best job I can of administering the program, and that is my intention. I come to REA with an open mind as to policy, personnel and procedures. If I find changes are necessary to advance the program I will make them. My decisions will be my own and will represent my best efforts to get and maintain electric and telephone service to the Nation's farms and ranches.

I look forward to meeting more of the directors, managers, and staff of REA borrowers throughout the country. Through this association I hope that we can all gain insight that will help us to do our jobs effectively and efficiently.

A cursive signature of David A. Hamill.

*Administrator.*

# Coloradan Directs REA

**David A. Hamil is New Administrator;  
Rancher and State Legislator**

**D**avid A. Hamil, Colorado rancher, legislator, and former director of the Highline Electric Association at Holyoke, was sworn in as Administrator of REA on June 26, 1956, following his confirmation on June 21 by the Senate.

Mr. Hamil is engaged in the cattle feeding business in Logan county, Colorado, where he was born December 3, 1908. He and a brother, Don, operate two ranches totaling 3,600 acres. The larger of the two ranches, near Atwood, serves as the home of the new administrator. The other ranch is near Sterling.

When nominated in early June by President Eisenhower, Mr. Hamil was speaker of the Colorado House of Representatives, a position he had held since 1951. He was first elected to the Colorado General Assembly in 1938 and served continuously except for the two-year term of 1948-49. During his legislative service, Mr. Hamil introduced several measures in support of rural electrification.

Although his home place had electric service at the time, Mr. Hamil worked actively in 1939-40 to sign up members and assure initial electric service for the Sterling ranch neighborhood. He served as director of the newly organized Highline Electric As-

sociation for three years. When the cooperative started operations, it served about 180 consumer-members. Today it serves 4,000.

The new administrator is a graduate of the Sterling High School and of Hastings College at Hastings, Nebr. He was graduated from the college in 1930 with a Bachelor of Arts degree. At Hastings, he competed in track as a distance runner and at one time was Midwestern AAU champion in the 3½-mile cross-country run.

He is married and the father of three children. His wife is the former Genevieve Robinson of Denver. A daughter, Jo Ann, is a sophomore at Colorado A and M College and once was Cherry Blossom queen of the State. A son, Don, will enter the A and M College this fall. Another son, Jack, attends the Sterling High School.

Mr. Hamil is a member of the Presbyterian Church, is a Mason and an Elk.

He is the sixth administrator of REA since the agency was established in 1935. He succeeds Anchor Nelsen of Minnesota who resigned May 15, 1956.

Mr. Hamil plans considerable travel in the next few months to become acquainted with electric and telephone leaders.

# \$81 MILLION LOAN YEAR

New Loans Mean  
Service for 187,000  
Rural Subscribers

Progress in bringing modern telephone service to rural areas is shown in 1956 fiscal year loan data and prospects for additional loans and construction in fiscal 1957.

Loans made during the fiscal year ending June 30, 1956, will bring modern dial service to 187,000 rural subscribers, including 89,000 who will get initial telephone service.

There were 207 loans totaling

\$80,980,000. In fiscal 1955, REA made 147 loans for a total of \$52,744,000. In 1954 there were 150 loans for \$74,712,000.

Authorizations for first advance of funds totaled \$78,268,000 during fiscal 1956. REA also approved plans and specifications for 139 new dial exchanges and construction of about 36,000 miles of telephone line.

Adding to the prospects for a sustained high level of activity, REA estimates telephone loan needs for the new fiscal year at \$80 million. Funds available amount to \$131 million. This is made up of \$30 million in carry-over funds, \$1 million in anticipated rescissions and \$100 million in new authorization. Of the latter, \$20 million is being placed in reserve to be drawn upon as needed, as provided in the Agriculture Appropriation Act for 1957.

A state-by-state breakdown of 1956 telephone loans follows:

## REA TELEPHONE LOANS, BY STATES, FISCAL 1956

<i>State</i>	<i>No.</i>	<i>Total</i>	<i>State</i>	<i>No.</i>	<i>Total</i>
Alabama	4	\$ 801,000	Montana	4	580,000
Arizona	1	65,000	Nebraska	4	1,517,000
Arkansas	1	2,432,000	New Jersey	1	230,000
California	2	727,000	New Mexico	1	550,000
Colorado	3	684,000	New York	3	1,396,000
Florida	3	1,722,000	North Carolina	5	2,201,000
Georgia	10	4,203,000	North Dakota	3	1,260,000
Idaho	3	755,000	Ohio	3	438,000
Illinois	8	1,603,000	Oklahoma	10	2,277,000
Indiana	6	1,630,000	Oregon	9	2,783,000
Iowa	7	1,854,000	Pennsylvania	4	1,138,000
Kansas	14	5,728,000	South Carolina	4	955,000
Kentucky	6	6,173,000	South Dakota	3	1,445,000
Louisiana	5	1,737,000	Tennessee	11	4,925,000
Maine	5	1,254,000	Texas	19	14,331,000
Massachusetts	1	117,000	Virginia	3	448,000
Michigan	4	1,854,000	Washington	2	605,000
Minnesota	8	2,234,000	Wisconsin	11	3,172,000
Mississippi	1	88,000	Wyoming	2	115,000
Missouri	13	4,953,000	<b>TOTAL</b>	<b>207</b>	<b>\$80,980,000</b>

# *Written* Policy Pays

Management Experts Advise REA Borrowers  
To Put All Policies in Writing

**REA** telephone borrower officials who fail to put their policies in writing, and who are guided in policy matters by spur-of-the-moment thinking, could be headed for a lot of headaches, REA management specialists warn.

Trouble is likely to bob up when new directors take over or a new manager moves in, especially if policies are locked in the minds of the policy-makers.

Policy requirements vary from borrower to borrower and no set of policies fits the needs of all.

Generally, board-run telephone cooperatives and corporate companies require broader policy programs than the "one man" or owner-run systems. For example, boards need policies covering manager-board relations, employee relations and general public relationships. Owner-operated telephone systems are concerned largely with policies relating to employees, subscribers and the general public.

It's easy to see why some telephone borrowers find themselves in a real predicament over policy rulings. Policy-makers find their memories play strange tricks when it comes to passing judgement on management problems.

Whether you are an owner-manager or a director of a board-run rural telephone cooperative or privately-owned company

you'll need sound, firm policies to govern your operations.

Suppose management shifts occur. Is your policy-making program shaped up well enough so the new members of the management team can run things smoothly and efficiently without a hitch? Or would your management machinery jam?

No matter what kind of management your telephone system has, it's a good bet that clear operating policies—put into action—will help you do a better job of managing the business.

The board of directors makes policy. It's the job of the manager to work out procedures for carrying out the policies and transmitting the information to employees, subscribers and the public.

Good, written policy firms up understanding between the board and manager. For the "policy book" helps the manager to know what the board wants him to do. And policy provides him with guide-lines for making decisions. When a manager tackles a problem by referring to written policy, it's the same as if the board were present and conferring with him.

All REA telephone borrowers have need for effective working policies with the general public and the key to such relationships is an accurate and complete telephone tariff. Tariff policy is a basic requirement for any well-

managed telephone system. It establishes a written record of the telephone services regularly offered to the public, the regulations under which such services are offered and the rates for each.

Newly established tariffs and revisions to existing tariffs should be adopted by the board of directors or telephone company owners. If telephone rates come under a public regulatory body, authorization from this body must be obtained. Also better have your legal counsel go over the proposed tariffs to see if they conform with state laws and the terms of the loan contract and mortgage.

Part and parcel of any well-managed business is a sound and fair personnel policy. Telephone companies and cooperatives will do well to take a closer look at their own policy to see if it is doing an effective job.

Some borrowers have already adopted broad policies covering employee needs and interests which include paid vacations and holidays, safety programs, sick leave, recruitment and promotion.

In setting up a new "policy book", it's a good idea to weed out obsolete and undesirable policies. At the same time make a thorough search of the minutes and

by-laws of your cooperative or company and put down all the facts about policies. Then set up a committee to assemble and check existing policies and work out policy statements. Such a committee might include two board members or company officers, the manager and attorney.

Policies should be kept up-to-date and tailored to the needs of the telephone cooperative or company. In shaping policy, boards and owner-managements might be guided by these benchmarks:

1. Is the policy needed?
2. What are the financial and operating effects?
3. How will subscribers and employees react to it?
4. What effect will it have on the general public?
5. Has the policy worked for other telephone borrowers?
6. If the policy concerns an old problem, how was it handled before?

Finally, when policy is agreed upon by the board of directors, it should be written down in unmistakable terms so all concerned will understand it. A policy is not an effective management tool unless it is down in black and white.

Telephone borrowers, like other business organizations, need clear objectives along with plans and procedures for reaching them. Sound written policies are the best way to reach those goals.

## RULES AND POLICIES, WHO MAKES AND ACTS ON THEM?

QUESTION	A POLICY	A RULE
Who should make it?	The board.	Manager and employees.
What does it cover?	Usually a broad or basic area of operations.	Usually a particular work operation.
How long will it last?	Generally a long-term commitment and not apt to be changed on short notice.	Varies greatly, but it is not a long-term commitment.
What is its purpose?	To provide a guideline for making future decisions.	To carry out policy.

## The Petersons Took Their Cues From Veterans of the Drought and Won—

# They Stuck It Out

Not all of the "drought news" from the Southwest is on the dark side.

Even a long dry spell couldn't whip Harold Peterson, president of New State Telephone Company, Roosevelt, Okla., who found a silver lining in sound management and the faith of farmers.

With two good wheat and cotton crops in 1954-55 and farm incomes perking up in Jackson, Kiowa, and Washita counties, New State's officers told the RURAL LINES reporter that things have never looked so good since the good paying lands ran out of moisture.

New State cut over to REA-financed central station dial service late in 1953 at the drought peak. It has connected about 83 percent of its 5-year subscriber goal, and is making maximum debt service a year ahead of schedule this summer.

There were a good many "Doubting Thomases" around when Mr. Peterson announced he was considering using REA loan funds to convert his old magneto-operated system to dial. Mr. Peterson himself wondered whether he wasn't tackling more than he could handle, times being what they were.

As Mr. Peterson recalls the farm picture back in mid-1951, there wasn't enough moisture to

"wet your whistle." Almost every day or so more part-time, tenant and some old "dirt farmers" packed up and moved to industrial towns to seek paying jobs. Most veteran dryland farmers, however, hitched up their belts and got set for more lean crop seasons.

Says Mr. Peterson, "Farm folks in the Roosevelt, Cooperton, Headrick and Gotebo communities—where we now have dial exchanges—all had a big stake in their lands. They owned some of the best soil in Oklahoma and crops had been good over the years. It took more than a drought to lick 'em. The question was, when would it end?

"The thing that sold me on going ahead with my REA loan plans was the way these veteran farmers were sticking it out. Many had been through dry periods before and figured moisture and good times weren't far off.

"Our company was at the crossroads. The way we saw things, we could sell out or stick and try to give the farmers top telephone service. For farmers with such profound faith in the future deserved and needed the best. We put our stock in an old business maxim, 'You have to spend money to make it.' So we took a chance and went REA."

New State put its first REA loan—\$245,000—to work right

away. By October 1953 it cut over the Roosevelt and Cooperton exchanges to dial. Within 18 months, the Headrick and Gotebo exchanges were cut over with funds from a second REA loan of \$290,000.

The three officers of New State, Mr. Peterson, his wife who serves as secretary-treasurer, and a brother, Clifford Peterson, vice-president, have kept operating costs down, followed sound management procedure, and worked to give subscribers top service.

As Mr. Peterson points out, "Our REA loans and the new dial service they financed have substantially increased our company's business. We know first-class rural telephone service has definitely helped our farmers handle their affairs more quickly and efficiently. We're operating on a sound financial basis today.

"Our gross toll business stepped up about 40 percent when we cut over to dial. We think modern telephone service is the best sales-

man for building toll volume.

"We like the telephone loan program and we would sign with REA again under similar conditions. In giving our rural people dial service, we feel we have helped them save time, enjoy telephone communication and, in many cases, made money for them."

Prospective borrowers from several states and throughout Oklahoma have come to Roosevelt to see that well-run New State telephone system, and to hear Mr. Peterson tell about the benefit from REA loans. The company also gets a good many queries from people who ask how so much was accomplished despite the drought.

To all such questions he answers, "It's all due to the faith of our farmers, plus an REA telephone loan program which makes it easy for small companies like ours to modernize and give farm folks quality service."

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## New Texas Borrower Receives Largest Loan

More than 6,800 farmers, ranchers and other rural subscribers in a 21-county area of east central Texas will have telephone service available for the first time as a result of a \$6,985,000 rural telephone loan to the Texas Telephone and Telegraph Co., Houston. This is the largest loan made by REA in its telephone program.

The new borrower will use the loan to add 5 new dial exchanges to the 10 it now has, and replace 8 common battery and 25 magneto exchanges now in service with new dial facilities. The modernization will bring improved service to most of the company's present 7,700 subscribers.

When completed the system will have about 4,000 miles of line and facilities to serve over 14,000 subscribers in these counties: Anderson, Angelina, Bosque, Collin, Dallas, Ellis, Falls, Freestone, Grimes, Hunt, Jasper, Johnson, Leon, Madison, McLennan, Navarro, Newton, Robertson, Sabine, San Augustine and Somervell.

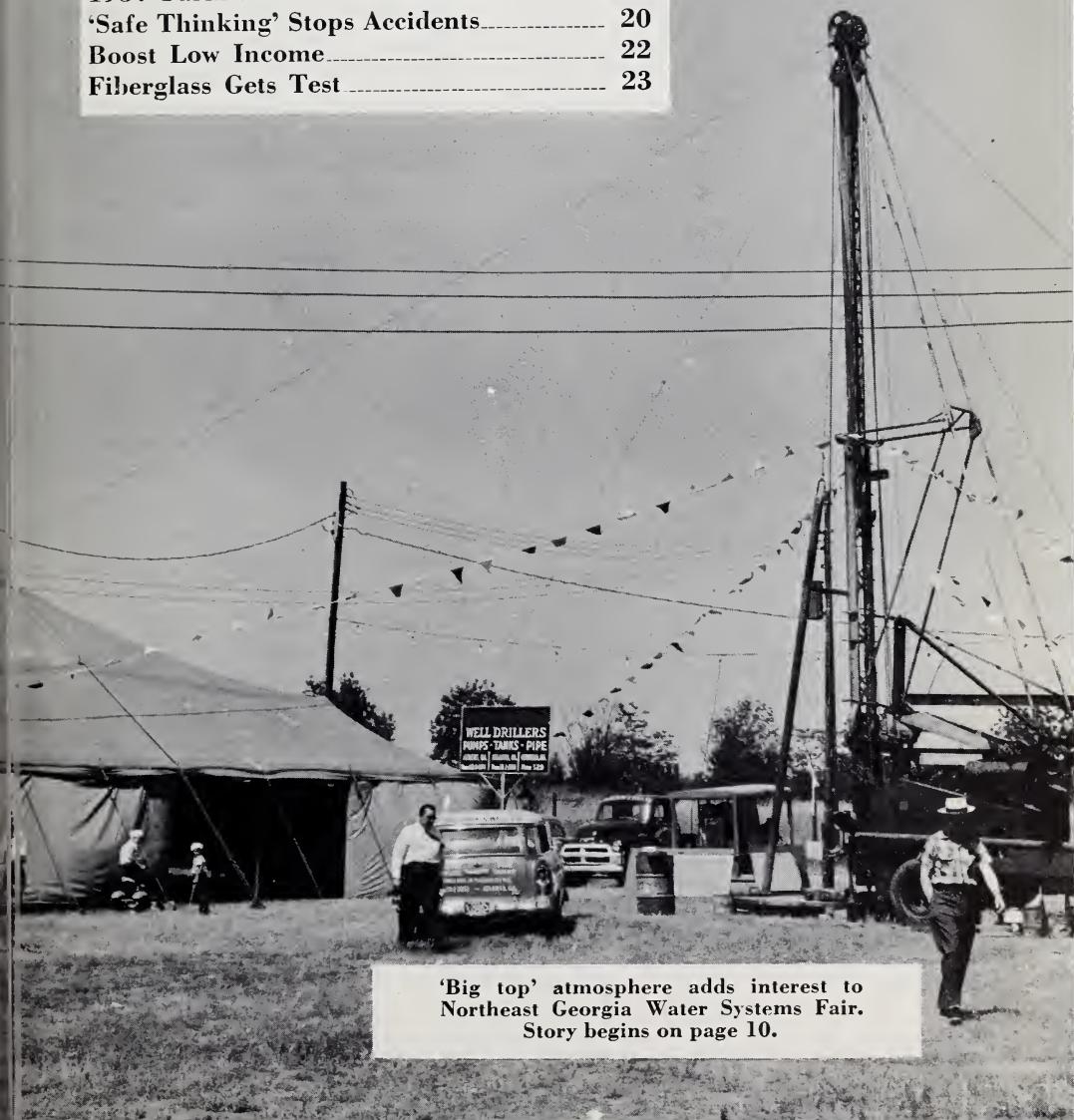
W. G. Winters, the president and general manager of the Texas company, was president of the Texas Telephone Association during 1955, and is now a member of the executive committee of that association.

# Rural Lines

RCA

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'Big top' atmosphere adds interest to  
Northeast Georgia Water Systems Fair.  
Story begins on page 10.

**Looking for Ways to Build Load?  
Then Read How REA Borrowers Team Up To**

# **'Make Hay' with Water**

**H**ave you been thinking about the possibility of a farm water system promotion as a means of pushing load and revenues up to cover increasing expenses?

Perhaps you have already taken steps, because it is good business, to tie in to the fall water systems promotion scheduled for September-October in the 1956 Farm Power Use Calendar of the Inter-Industry Farm Electric Utilization Council.

In either event you are in good company because more and more rural power suppliers are getting serious about water system promotions. For some, however, an all-out water system program may seem too big an undertaking for the limited staff and resources of the average co-op.

The solution to this problem is to "broaden the base" by bringing electric industry allies into your campaign. In that way you can give your members a better show and accomplish more than you could with a limited promotion.

How do you go about the job?

To get the answer to this question, RURAL LINES went to the field to get the details direct of recent water systems promotions in Georgia and Minnesota. Although sponsorship took a different form in each location, these promotions were similar in sev-

eral respects. They were designed to show the farmer why he needed a farm water system and how he could get it, even on a low budget or do-it-yourself basis. Pump dealers, well-drillers, equipment stores, and educational agencies took principal parts in the shows and helped to share costs. Prizes, entertainment, and exhibits helped draw crowds.

Interested? Then let's see what goes into a good water systems show. First, to the

## **Georgia Water Systems Fair**

The Northeast Water Systems Fair was planned by the Georgia Farm Electrification Council as a full-scale test of a water systems show developed as an inter-industry project. The Lions Club Winder fairgrounds was chosen as the site because it was central to service areas of the three power suppliers who would be co-sponsors: Walton Electric Membership Corp., Monroe; Jackson EMC, Jefferson, and Georgia Power Company. The three suppliers serve about 27,000 farms.

Manager John Taylor of Walton EMC, Manager Robert Kelley of Jackson EMC, and Olin Ginn, division rural engineer of Georgia Power Co., Athens, headed up the working group.

The sponsors and cooperating agencies and business firms got together on initial plans almost

two months ahead of the date picked for the fair. Actual promotion began six weeks ahead. Then just a month before the fair, the power suppliers sent a questionnaire to every farm consumer, asking if they would be interested in a free water system installation on their farms. The 500 responses convinced the water systems manufacturers and distributors that the project would be a financial success.

The physical layout took advantage of the two permanent structures and expanse of the fairgrounds. The livestock pavilion was used to house 20 educational exhibits. These ranged from a do-it-yourself plumbing display to a replica of an old outdoor toilet. On the grounds outside were a full-size septic tank and disposal field, well-drilling rig, well-boring demonstration, and extensive sprinkler irrigation installation and demonstration.

Commercial exhibits, displays and sales were centered in a 150' x 60' tent (see photo). Several dealers had working models of different types of water pumps.

The water systems fair was open Thursday and Friday. Largest crowds came at night, with Thursday's top crowd attracted by a square dance and contest in the Winder Lions Clubhouse, the other permanent building.

Nine water system installations and other prizes were awarded during the fair. One fair exhibi-

tor sold six complete well jobs the first day and another participant reported three water systems sold in the first half hour. The five participating manufacturers expressed satisfaction with this type of promotion.

Encouraged by the success of its first water system fair, the Georgia Council made plans to stage a similar promotion in south Georgia. After the next show, the Council will be able to offer local groups materials and guides in putting on their own fairs.

The Georgia Health Department, State Extension Service, county and home demonstration agents, and local vocational agriculture teachers and students participated at Winder and contributed to its success.

#### **Minnesota REA News Aqua-Scope**

Now in its second year, the 1956 Aqua-Scope will bring modern pressure water systems to six fortunate Minnesota farm families. The program is sponsored jointly by *The REA News* of Minnesota and manufacturers, distributors, contractors, and local rural electric cooperatives. Around 60 manufacturers are participating in the 1956 Aqua-Scopes, double last year's.

Most farmers are glad to turn their farmsteads over to the Aqua-Scope sponsors. It means, of course, that the farm family will live in a "goldfish bowl" for a couple of days, put up with crowds of up to 2,000 or so traipsing about, plus an outlay of from \$500 to \$600 for wiring and plumbing work. But where, outside Aqua-Scope, can a farmer

Read about another type of promotion, Nodak Rural Electric Cooperative's "Plumbarama", next month.

get free up to \$2,000 worth of water system equipment (plus most of the labor) ?

Last year some 8,700 farmers vied for the Aqua-Scope "jackpot", and this year 4,400 were in the running. Later these entries become sales leads for dealers.

According to Publisher H. J. (Scoop) Moreau of *The REA News*, water system sales in Minnesota increased 20 percent last year. Aqua-Scope is credited with stimulating a share of this new business. For example, one Anoka county dealer called on seven farms that had sent in entries and made four water system sales.

A visit to the first 1956 Aqua-Scope on the Leonard Duffney farm, near Montgomery, suggests that Aqua-Scope can be put on in any state or area.

Let Mr. Moreau tell how he does it. He says, "First off, we announce the coming Aqua-Scopes in *The News*. We invite all members of Minnesota rural electric cooperatives to take part. Only those without pressure water systems can enter.

"Those that offer their farms as sites for the running water shows are sent questionnaires. This information tells us all about the farmer, his farm and his

water system needs. Each entry is a water system prospect.

"We divide the State into six areas, including one or more rural electric co-ops. A member of our staff and a co-op representative calls on several of the entries in each area. From these visitations we narrow entries down to three or four per area. Final selection is made by a committee made up of representatives of participating manufacturers, our *News* staff and the co-op in the area.

"We're particular about the Aqua-Scope farm sites. Among other things, they are judged on suitability, location, farmyard layout (will equipment display well?). We want to know too whether the new work is needed and if the water system will help the farmer do a better job.

"We aim to show people how easily farm water systems can be installed, that they are not as costly as many think. We also want to show the accessories and related installations that go with water systems. Our Aqua-Scopes give farm folks a chance to ask questions and see for themselves how running water simplifies work on the farm. They are a good place for manufacturers to

**Leonard Duffney (left, first photo) helps Aqua-Scope sponsor, 'Scoop' Moreau (right), lay electric cable. Observers are O. W. Mueller, Joe Bond and H. C. Dahlke, Minnesota Valley Electric Co-op. directors. Trencher (second photo) cuts ditch for pipe. Duffney family inspects submersible pump (center) for 171-ft well.**



display their goods. Many orders are taken on the spot," Mr. Moreau told the RURAL LINES visitor.

Among the things visitors to typical Aqua-Scope will see are:

**Digging and trenching operations performed by the latest in this type of equipment.**

**Installation of a modern pressure pump.**

**Actual laying of plastic pipe to form the cold water distribution lines to all buildings and places where water is to be used.**

**Plumbing and finishing work for a modern bathroom.**

**Installation of frost-free hydrants in strategic locations to insure an adequate flow of water even during cold weather.**

**Placing and hooking up automatic waterers for livestock, hogs and poultry.**

**Installation of a septic tank and disposal field, one of the most important components of a complete water system.**

**Installation of an electric water heater and water softener.**

**The making of all electrical wiring connections necessary for the installation of a completely modern pressure water system.**

**Connections are made to insure an adequate supply of water in case of fire.**

In addition to this, experts are on hand to answer and help visitors solve any questions about their own water system problems. Manufacturers and distributors also display the latest equipment

having to do with water systems, plumbing, barn and milk house.

Good turnouts at the Aqua-Scope are due to careful planning by Moreau and his staff. As soon as entries are picked, the news is released to local Minnesota papers, radio stations and electric co-ops. Next a large handbill is prepared on the event and a copy mailed to co-op members in the Aqua-Scope area. There are posters for shop and store windows.

Many distributors keep their dealers posted on the events. Participating distributors and manufacturers plug the "Scopes" on their local radio programs. Electric co-ops talk up the shows too.

The *News'* final step is tabulation of entries and distribution of "prospect lists" to dealers in towns and areas.

Here's what Stan Harvieux, a Minneapolis water system distributor, who displayed at the first 1956 installation, has to say about Aqua-Scope sales leads:

"I'm really sold on the Aqua-Scope and prospect list. They are one of the best ways to put over water system promotion. People can see water system equipment which saves them time in shopping around."

Northeast Georgia Water Systems Fair featured this full field sprinkler irrigation demonstration (left below). Cutaway construction used in this model pump house (right below) provided by Georgia Power Company makes it possible for visitors to see details of correct wiring and water pump installation.



# 1956 - Electrifying Year

## Power Needs, Improvements Push Electric Loan Program to High Level

A look at the rural electric loan program for the fiscal year just ended confirms earlier predictions that it would be one of the most "electrifying" 12-month periods in recent years for the REA program.

Loans made during the year will bring electric service for the first time to 106,000 rural consumers and will provide 188,000 kilowatts of new generating capacity to feed rural power systems.

There were 344 loans during the year for a total of \$189,804,800. In fiscal 1955, REA made 349 electric loans for a total of \$167,530,430.

More than half, or \$105,000,000 of the 1956 electric loan total will go to expand or replace facilities outgrown by increased use of electric power in rural areas. This includes \$61,251,939 for generation and transmission facilities, or about one-third of all loan funds approved during the year, and \$43,972,302 for heavying up or system improvements.

Other highlights of the 1956 loan program are:

The first REA loan for a rural nuclear power plant was made to the Rural Cooperative Power Association, Elk River, Minn.

An initial loan of \$9,968,000 was made to the Tri-State Generation and Transmission Association, Inc., Sterling, Colo., for construction of a 44,000-kw steam

generating plant and related transmission facilities to serve 24 rural distribution systems in Colorado, Nebraska and Wyoming.

The first loan to provide rural electric facilities within the Arctic Circle was made to the Kotzebue Electric Association at Kotzebue, Alaska. This \$312,000 loan included funds for 3 diesel generating units.

The Deep East Texas Electric Cooperative, Inc., San Augustine, received approval and loan funds to build a 10,000-kw steam generating plant using wood waste as fuel at Pineland.

Unadvanced funds available for use by borrowers increased by \$33 million to a total of \$483 million on June 30, 1956.

The year's electric loan activity leaves the applications on hand at \$89,724,000, as of June 30. REA estimates that this backlog plus additional applications expected on the basis of a survey of borrowers will bring loan needs for the coming year to \$185 million.

Funds available for the 1957 fiscal year total \$239 million. This amount is made up of \$24 million in carryover funds, \$214 million in new authorization and \$1 million in anticipated rescissions. Under terms of the Agriculture Appropriation Act for 1957, \$25 million of the new authorization has been placed in reserve to be drawn upon as needed.

## REA ELECTRIC LOANS, BY STATES, FISCAL 1956

<i>State</i>	<i>No.</i>	<i>Amount</i>	<i>State</i>	<i>No.</i>	<i>Amount</i>
Alabama	6	\$ 3,235,000	New Jersey	1	245,000
Arizona	3	1,067,000	New Mexico	13	8,456,000
Arkansas	17	4,224,000	New York	1	107,000
California	2	245,000	North Carolina	19	5,070,500
Colorado	8	17,709,000	North Dakota	10	4,009,000
Florida	11	3,970,000	Ohio	11	3,993,000
Georgia	11	3,390,000	Oklahoma	12	4,908,000
Idaho	5	4,301,000	Oregon	7	4,413,000
Illinois	8	3,378,000	Pennsylvania	6	3,005,000
Indiana	6	1,745,000	South Carolina	13	4,650,000
Iowa	12	16,641,000	South Dakota	9	4,950,000
Kansas	6	2,587,000	Tennessee	3	3,945,000
Kentucky	12	8,450,000	Texas	41	31,177,000
Louisiana	5	3,067,000	Utah	1	1,750,000
Maine	2	138,000	Vermont	2	155,000
Michigan	3	1,725,000	Virginia	5	2,540,000
Minnesota	17	9,840,000	Washington	6	2,295,300
Mississippi	2	1,080,000	Wisconsin	10	2,409,000
Missouri	15	6,315,000	Wyoming	6	2,486,000
Montana	6	1,939,000	Alaska	3	1,031,000
Nebraska	7	2,344,000	<b>TOTAL</b>	<b>344</b>	<b>\$189,804,800*</b>
New Hampshire	1	820,000			

\*Excludes \$2,914,000 of 1956 fiscal year loan authorization which was placed under loan late in fiscal 1955 and is included in gross loan total for that year.

## USDA Honors Four REA Employees

Four employees of REA have received Superior Service Awards from the U. S. Department of Agriculture. All had previously received cash awards from REA for sustained outstanding service. The employees, their duties, and the bases for the awards are:

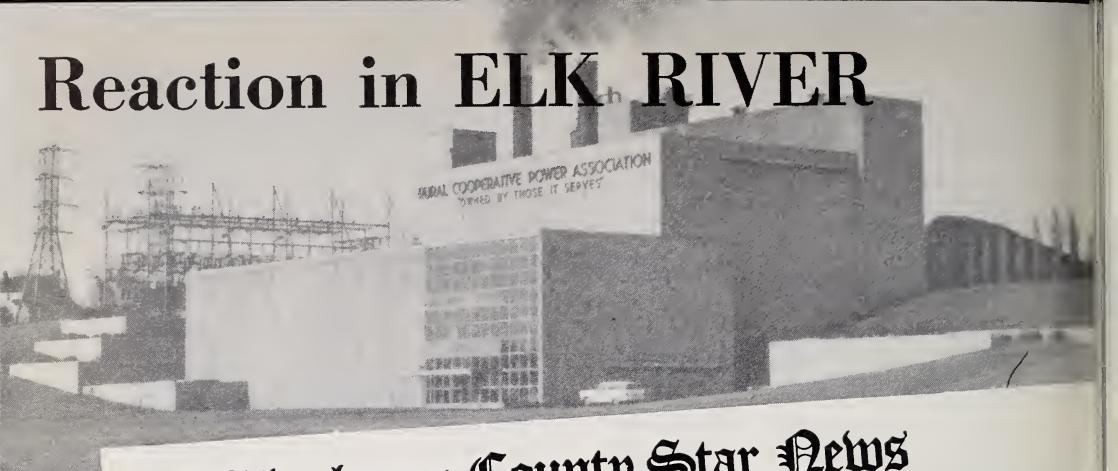
John G. Hieber, transmission systems engineer, received the award for his handling of complex operating problems of rural electric systems, and for his contributions to the development of a transmission line manual.

Miss Ann L. Hoffmeyer, a telephone loan appraiser, received the award for her work in initiating and developing simplified procedures for handling rural telephone loan applications.

Robert D. Partridge is program analyst for REA, and recently has worked closely with the Atomic Energy Commission in connection with its program for small-scale experimental nuclear power plants. He was honored for his accomplishments in planning and analyzing REA programs to meet the needs of farmers, and in co-ordinating his agency's work with programs of other government agencies.

Robert E. Turner is REA operations field representative in Iowa, Illinois, Wisconsin, Minnesota, and North and South Dakota. His award was for developing programs to stimulate wider and more effective use of electricity by farm owners.

# Reaction in ELK RIVER



RURAL COOPERATIVE POWER ASSOCIATION  
SERVED BY THOSE IT SERVES

## Sherburne County Star News

L. A. DARE, EDITOR AND MANAGER

ELK RIVER, MINNESOTA, THURSDAY, MAY 3, 1956—TWELVE PAGES

VOLUME 81, NO. 18

### Nuclear Plant Hailed as 'Milestone' in History

**B**ustling Elk River, Minn. (pop. 1,399) is enjoying its new prominence as the prospective site of one of the country's first small nuclear power plants.

Elk River is the home of the Rural Cooperative Power Association, a generating federation of REA distribution borrowers. RCPA's big REA-financed plant outside the town is the source of power for some 36,000 rural consumers.

It was big news in April when the Atomic Energy Commission approved RCPA's proposal for an atomic reactor and related generating plant. Then came word that REA had made a loan of \$6,702,000 to the Association of six farmer-run distribution cooperatives to finance RCPA's portion of the facilities.

Taken together, the news stories meant that a third 22,000-kw generating unit would be added to RCPA's facilities and that it would probably be nuclear powered. Story after story told of the cooperative's program to harness

the atom for the benefit of rural power consumers.

Many Elk River people and rural residents of Sherburne County are already speculating on what will happen when the atom goes to work for them. They are eager to talk, as the RURAL LINES visitor found, about the atom's potential.

People ask a lot of questions about nuclear energy and the atomic reactor. Like many folks over the country, they don't completely grasp the process. They scratch their heads over many of the techniques and terms used in the atomic age. It's going to take some time to get to the point where they can talk knowingly about nuclear energy. For most this learning can come in easy stages. It will be at least three years before the atomic plant turns out power.

But if Elk River townspeople and their country cousins aren't entirely familiar with the atom, they do have an earnest conviction that atomic power will be good for their area. Most agree that there

will be more electricity to go around. And, of course, they all hope it will bring rates down.

Here are some of the things Elk River folks have to say about the atom's coming:

**Mayor Edward Schwartz**—The nuclear reactor plant will be of definite benefit to this part of Minnesota by providing cheaper power in one of the highest priced fuel areas in the country. It will open the door for visits of people from all over the world and may attract new industry.

**Manager Edward Wolter of RCPA**—Atomic energy will mean a great deal to Elk River and Minnesota. Already we are getting calls from schools and colleges to bring students here for tours. We have offered to train personnel from other power plants should they install atomic power. We can expect chemists, physicists and nuclear scientists from all over the world to come here.

**Robert Lefebvre, dairyman**—Atomic energy will be a big improvement. There will be less coal to haul and cheaper operating costs. This should all add up to cheaper kwh for us. My neighbors are happy about the new atomic reactor plant too. I have a 5 h.p. hay dryer and will soon install a bulk milk tank. I'm using more and more power. Naturally, I would welcome a saving in my \$40 per month electric bill.

**Don Henderson, farmer**—I've been pretty busy this spring and haven't had much time to think much about the new reactor. But I do feel that the new plant will attract people from all over. Some farmers I've talked to think they are going to get blown up when the reactor gets going. You know one of the newspapers down state said something like that. It's all silly, because we know the Atomic Energy Commission wouldn't approve any project that wasn't absolutely safe. So most of us aren't scared. We think it's great news.



**L. A. Dare, editor, Sherbourne County Star-News**—We think it is one of the biggest things to hit our community. It has given us a great deal of national publicity. The development is sure to be of interest to all Northwest states. We're proud that Elk River was picked as a possible site for a publicly-owned nuclear reactor. Elk River people feel that it will eventually bring in new industries. It has real potential.



**Roy A. Ellingson, banker**—The people's first reaction was explosive, but now know all about it and feel much safer. We feel our people and the consumers served by RCPA need this atomic energy to help them serve their growing area and get kwh costs lowered.

**E. R. Vandenberge, principal, Elk River Junior and Senior High**—News of the atomic reactor has stirred up a great deal of interest in our science classes. Our students have studied the layout of the plant which RCPA gave us. Our teachers too are very much interested. Generally speaking our student body was thrilled at the news. It meant as much to them as most of our students live on farms powered by the co-op plant.



# 1957 FARM POWER USE CALENDAR

## FARM

### PRODUCTION EQUIPMENT

JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.

Brooders (Chicken & Pig) .....	★	★	★									★
Farmstead Lighting .....												★
Milk Coolers .....		★	★	★	★							
<b>WATER SYSTEMS</b> .....		★	★	★	★							
Ventilation .....	★											
Hay Drying .....		★	★	★	★							
Grain Drying .....			★	★	★							
Sprinkler Irrigation .....			★	★	★							
Barn Cleaners .....				★	★							
Silo Unloading .....	★											
<b>HOUSEHOLD USE</b>												
Laundry Equip. (Dryers) .....	★	★	★	★	★							
Electric Ranges .....			★	★	★							
Air Conditioning .....				★	★							
Food Freezers & 2 Zone Refrigerators .....				★	★							
Water Heaters .....				★	★							
Home Lighting .....					★							
Small Appliances .....					★							
House Heating .....						★	★	★	★	★	★	★



# SAFETY



## "Safe Thinking" Stops Accidents

What to do about lost-time accidents poses an alarming question for many REA borrowers. For in spite of tested safety rules, precautionary gimmicks and danger signs, accidents still happen.

To prevent accidents you've got to "think" to live, say the proud recipients of top safety awards. Even the grads of the best accident-prevention courses are only "half safe" they point out. Crewmen have got to keep their wits about them, put their training into action every step of the way.

One of those who stresses "mind over training" techniques,

in daily safety practices, is Howard L. McKee, manager of Steele-Waseca Electric Cooperative of Owatonna, Minn. In 1949 his plant crew was riddled with an average of one lost-time accident monthly. Then things changed and the co-op racked up 350,000 man-hours without a lost-time accident.

"Putting on rubber gloves doesn't make a worker safe," Mr. McKee explains. "It's his alertness and keenness to work hazards that counts. We say there's only one way to do a job. Do it safely, or leave it alone. Accident prevention is largely a state of mind.

"Of course, we believe in and

Steele-Waseca employees take understandable pride in reaching another milestone in their accident-free marathon, now past 350,000 man hours. Shown here during presentation of another 50,000-hour bar in March 1956 are: (left to right) Dick Fleemer, crew foreman; Ted Ritter, engineer; Henry Cammock, general foreman; Frank Forsyth of Employees Mutual Insurance Co., and Joe Hawkins, crew foreman.



practice safety training and we teach our men all the recommended job techniques. But that's mainly routine basic training—as we see it. You can't take chances or be careless in outside plant work. Call it what you will, it all boils down to being wide-awake on the job."

When Mr. McKee took over as manager of Steele-Waseca, one of his first moves was to tackle the accident problem. Keymen were sidelined with injuries for one reason or another, resulting in work slowdowns.

Workers perked up when Mr. McKee announced the first weekly safety meeting. They were surprised too to learn that the meetings had a new pitch. For instead of class work on accident prevention, something most of the staff had down pat, meeting programs were shaped to build worker confidence, sharpen the approach to easy and hazardous tasks.

Such "safe working" gatherings of employees continued for nearly a year. The new approach to safety first developed so well, accidents soon were fewer and farther between. In fact, the accident boxscore looked so good to the management a year later, meetings were held less frequently and leveled off to monthly discussions. Key topic at meetings today continues to be the right and wrong way of doing jobs safely.

And like other Minnesota electric borrowers, Steele-Waseca employees receive safety training from full-time safety specialists on the staff of Minnesota Electric Cooperative. MEC safety men meet with co-op's workers a half day each month.

"Our accident prevention program has improved the morale of our entire staff," notes Mr. McKee. "Everyone is safety-minded now, bent on keeping our good record accident-free. It's always a big occasion when we receive another safety bar for 50,000 man-hours without a lost-time accident. We all turn out and enjoy the program and dinner.

"The co-op membership gains too from our safety program. Seven years ago, before our people put their heads together and went all out for safety, we were paying the highest insurance rate going. Now after more than 72 months of accident-free work, our insurance rate is the lowest. That means our co-op saves a nice piece of cash each year.

"But more important than the cash saving is the knowledge that our crews know what they are doing. Every day they work with high-voltage lines and equipment. A wrong move means death or serious injury, poor or disrupted service to our consumers. We're proud that our men can do their jobs efficiently and safely."

#### CORRECTION

Pictures of REA's safety workers were reversed by the printer in the July issue of RURAL LINES. The pictures are rerun here to correct the error.



A. B. Shehee



E. D. Hughes

**Rural Development Program Offers  
Pattern for Teamwork to Build Business and**

## **BOOST LOW INCOMES**

**R**ural development—1956 style—is catching on in the country today.

Leaders of the Rural Development Program, announced by the U. S. Department of Agriculture a year ago, have taken broad steps to meet the needs of farm people. And already “pilot areas” across the Nation are taking a new and constructive look at their resources and rural problems.

In a message to Congress in January 1954 President Eisenhower asked that special attention be given to the problems of rural people with very low incomes. USDA followed up this request with a study of low-income farming in the United States. This study, published last year as “Development of Agriculture’s Human Resources,” is the key to the program now taking hold.

REA electric and telephone borrowers—not only those serving the “pilot” areas, but all serving consumers in low income brackets—have a big stake in the program. Low income farmers cannot enjoy the advantages of living better electrically. And when farm incomes are down, borrowers too are in trouble. By cooperating in local rural development and aiding the program, borrowers help boost farm incomes, build a more prosperous community, keep their systems fit and sound.

Under Secretary True D. Morse says of the program: “The development of agriculture’s human resources is one of this Nation’s most important economic and

social problems. Very low incomes—that is, incomes in the range of less than \$1,000 a year—are concentrated in agriculture.

“I am happy to say that the picture has a bright side. Dedicated agricultural workers in the States and leaders in many rural communities are working energetically to overcome conditions that produce low incomes.”

The causes for low-income farming go deeper than just the need for financial and technical aid. Farms may be so poor that they will never turn out good-paying crops. Age and ill health figure in the picture. Young people too find it tough to make things pay off on farms where there is a lack of balance between material and human resources.

In planning the Rural Development Program, the Secretary of Agriculture and his staff joined deans of agriculture and directors of extension in recommending that leadership committees be formed within states and counties. The committees would include people from agencies having direct interest in rural needs.

State after state has taken such steps. Sixteen state committees have been set up so far and more than 35 “pilot” areas and counties singled out for development.

Five departments of government—Agriculture; Commerce, Labor; Interior; and Health, Ed-

ucation and Welfare—have joined in rural development work.

The participation of REA borrowers in local rural development programs will take various forms, depending upon rural needs, and the methods used in tackling problems.

To see the Rural Development Program in action, with an REA Co-op participating RURAL LINES sent a reporter to Choctaw County, Oklahoma. One of the principal backers of the program there is Jack Gambrell, manager of Choctaw Electric Cooperative of Hugo. Mr. Gambrell heads up the county's important agriculture committee.

Here are the rural development steps taken in this pilot county:

**1. Key Oklahoma A. & M. College, extension, and state leaders met with Hugo Chamber of Commerce and agricultural, industrial, religious, health, welfare and educational agencies. The meeting resulted in the formation of a steering committee.**

**2. One of the committee's first steps was to approve a rural survey to get the facts on rural problems, produce data on full and part-time jobs available for industry and agriculture.**

**3. The committee agreed to work to bring in industries and expand existing ones, especially those employing men. New industries, it was thought, might do a lot to bolster low incomes by providing part-time, off-farm jobs. And one new industry leads to another. Average yearly farm income in Choctaw county is about \$400.**

**4. These permanent committees were named: Agriculture, industry, health and welfare, religion and education.**

**5. Oklahoma state extension service assigned a farm management specialist to survey conditions in the county, aid in rural development. Purpose of the survey is to determine the technical and financial assistance needed by rural people. Around 30 professional agricultural and other county leaders are helping complete the survey.**

**6. Hugo's daily and weekly newspapers and radio stations are cooperating very well in promoting rural development.**

Only two years ago Choctaw town and county people worked as a team to raise about \$145,000 to build a rent-free factory building for a glove firm. Merchants and dealers furnished building materials at cost. Craftsmen—plumbers, carpenters, electricians, brick-masons—contributed work and several large business houses in Hugo contributed money. Substantial amounts also were raised from box socials, potluck dinners and a carnival. It took just two months to raise the funds.

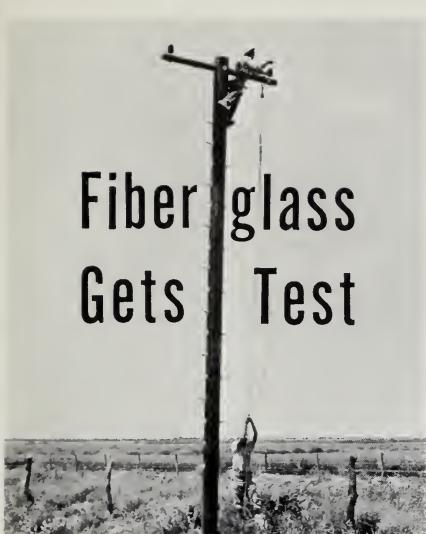
Chamber of Commerce officials estimate that the splendid teamwork saved around \$250,000 in building construction costs. The company payroll now is running \$270,000 a year, well ahead of the firm's guarantee.

The coordinated building drive left a surplus of around \$30,000, half of which has been used to purchase a vacant Hugo factory as a potential industrial site.

The rural development steps taken in Choctaw county are outstanding among the programs now getting under way in more than half of the states. The example of good program planning and organization set by this county point the way to agricultural and business leaders in other "rural development" counties. These leaders have an opportunity to give help and guidance to a program with great potential for all rural areas.

For more information about the Rural Development Program write to the U. S. Department of Agriculture, Washington 25, D. C.

# Fiber glass Gets Test



## Texas Co-op Installs New Poles in Areas Where Damage is High

Fiberglass poles are now under test by the Nueces Electric Cooperative, Robstown, Texas, as a possible solution to pole-top fires caused by power leakage (see "Pole Tops Afire," pp. 8, 9, in RURAL LINES, Nov. 1955) and woodpecker trouble.

Nueces has used the man-made poles to replace fire-scarred wooden poles at three different trouble points. The largest installation—seven poles—is on the main

**Manager C. M. Wagner points to fire crater and woodpecker hole in top of one of wooden poles which was removed for replacement by fiberglass.**

single-phase line serving the 880,000-acre Kennedy ranch in Kennedy county. Four of the poles are in the V-phase section serving the Loyola beach commercial fishing area and another four are in a 3-phase line at Patillo corners in the Riviera section where the pictures below were made.

The supplier, Line Material Company, worked with REA engineers and the borrowers in arranging this first test installation on an REA-financed system. To cope with the severe corrosion in coastal Texas, stainless steel has been used for certain fittings.

Specifications for the Class 6 poles used in the South Texas test are: Length, 35 ft.; diameter, 11 in.; thickness, including liner, .31 in.; weight 150 lbs. The 8-ft. long, 5-in. diameter fiberglass crossarm adds 12 lbs. The Class 6 pole has 12 plies of fiberglass material and is capped with a fiberglass disc at top and bottom.

Despite the light weight, fiberglass poles possess a toughness that recommends them for rural areas. With a physical strength equal to spring steel, plus good insulation characteristics, and lack of attraction for termites and woodpeckers, these Texas pioneers may earn a place for fiberglass poles in REA's catalog of accepted materials.

**Framing one of the new fiberglass poles are Line Superintendent Herman Stephens (left), and crew members Dan Hinojosa (center) and T. H. Kelly.**



**UNITED STATES  
GOVERNMENT PRINTING OFFICE**  
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**WASHINGTON 25, D. C.**  
**OFFICIAL BUSINESS**

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**PENALTY FOR PRIVATE USE TO AVOID  
PAYMENT OF POSTAGE, \$300  
(GPO)**

**Loans Approved May 17 through June 15, 1956**

**Electrification**

\$ 208,000	McCulloch County Elec. Co-op, Brady, Texas
795,000	Karnes Elec. Co-op, Karnes City, Texas
1,145,000	Guadalupe Valley Elec. Co-op, Gonzales, Texas
110,000	Pee Dee Elec. Co-op, Darlington, So. Carolina
475,000	White River Valley Elec. Co-op, Branson, Mo.
235,000	Howell-Oregon Elec. Co-op, West Plains, Mo.
550,000	Twin Valleys PPD, Cambridge, Nebr.
* 100,000	KEM Elec. Co-op, Linton, N. Dak.
* 100,000	North Arkansas Elec. Co-op, Salem, Ark.
480,000	Upshur Rural Elec. Co-op, Gilmer, Texas
525,000	Central Elec. Co-op, Parker, Pa.
* 50,000	Petit Jean Elec. Co-op, Clinton, Ark.
2,238,000	Deep East Texas Elec. Co-op, San Augustine
820,000	New Hampshire Elec. Co-op, Plymouth
370,000	Butler Rural Elec. Co-op Assn., El Dorado, Kans.
345,000	Orcas Power & Light Co., Eastsound, Wash.
1,500,000	East Central Oklahoma Elec. Co-op, Okmulgee
100,000	Tri-County Elec. Co-op, Carrington, N. Dak.
* 25,000	Tri-County Elec. Co-op, Hooker, Okla.
1,040,000	Prince William Elec. Co-op, Manassas, Va.
643,000	Inland Power & Light Co., Spokane, Wash.
* 50,000	Irwin County EMC, Ocilla, Ga.

100,000	Rush County REMC, Rushville, Ind.
337,000	McCook Electric Co-op, Salem, S. Dak.
* 50,000	McLean Elec. Co-op, Garrison, N. Dak.
880,000	Dixie EMC, Baton Rouge, La.
* 50,000	Whitley Rural EMC, Columbia City, Ind.

**Telephone**

\$ 72,000	Adamsville Telephone Co., Inc., Adamsville, Tenn.
539,000	Eastern Oregon Telephone Co., Pilot Rock, Ore.
195,000	Stover Telephone Co., Stover, Mo.
560,000	Sedgwick Telephone Co., Inc., Dodge City, Kans.
310,000	Southern Telephone Co., Brooklyn, Mich.
975,000	Hull Telephone Co., Inc., Houston, Texas
6,895,000	Texas Tel. & Telegraph Co., Houston
375,000	Chisago City Telephone Co., Chisago City, Minn.
77,000	Wayne Telephone Co., Odum, Ga.
36,000	The Utelwico, Inc., Talbotton, Ga.
111,000	Colton Telephone Co., Colton, Ore.
350,000	Township Telephone Co., Inc., Chaumont, N. Y.
250,000	Eastex Telephone Co-op, Henderson, Texas
624,000	Comer Telephone Co., Comer, Ga.
250,000	Raphine Telephone Co., Amherst, Va.
638,000	Powells Telephone Co., Powell, Tenn.
444,000	Caldwell Telephone Co., Inc., Caldwell, Kans.

\* Includes Section 5 funds.